

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF DELTRAN, INC. TO
ESTABLISH MONTHLY LEASE CHARGES

) CASE NO. 98-055
)

O R D E R

Deltran, Inc. ("Deltran") has moved the Commission to permit its proposed lease charges to Delta Natural Gas Company ("Delta") for use of the Canada Mountain Gas Storage Field, as set forth in its filing of December 29, 1997, to become effective pending completion of the Commission's investigation into the reasonableness of the proposed charges. Having considered the motion and being otherwise sufficiently advised, the Commission finds that:

1. On December 29, 1997, Deltran filed with the Commission proposed revisions to its monthly lease charges to Delta for its use of the Canada Mountain Gas Storage Field. The proposed charge represents a monthly increase of \$52,747 and an annual increase of \$632,964.
2. By its Order of January 28, 1998, the Commission suspended Deltran's proposed adjustment in its lease charge.
3. The lease agreement between Delta and Deltran represents Deltran's sole source of revenue.
4. Failure to permit Deltran's proposed lease charge to become effective will materially impair Deltran's credit and operations.

IT IS THEREFORE ORDERED that:

1. The rate set forth in Deltran's proposed tariff sheet, filed with the Commission on December 29, 1997, is effective, subject to refund, for final meter readings on and after the date of this Order.

2. Deltran shall maintain its records in a manner as will enable the Commission, in the event Deltran's proposed rates are found unreasonable, to determine the amount of any refunds and the identity of those customers to whom a refund is due.

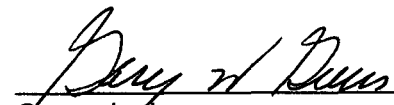
3. Within 30 days of the date of this Order, Deltran shall file revised tariff sheets reflecting the rates that the Commission has permitted to become effective subject to refund.

Done at Frankfort, Kentucky, this 2nd day of March, 1998.

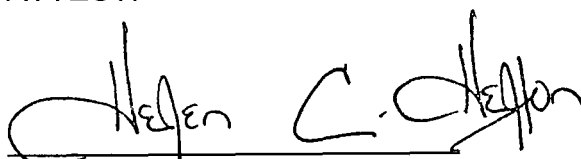
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director